

Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-02 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 /092 R

DRAFTED BY EB/OT/STA:WCLARK,JR.:CLJ

APPROVED BY EB/ITP:MWGLITMAN

TREASURY:POSUCHMAN

EUR/RPE:JMCCARTHY

----- 130547

P R 132209Z MAY 75

FM SECSTATE WASHDC

TO USMISSION EC BRUSSELS PRIORITY

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY ROME

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY COPENHAGEN

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E.O. 11652: N/A

TAGS: ETRD

SUBJECT: WRAP-UP OF EC CHEESE PROBLEM

REF: EC BRUSSELS 3884

1. LENG OF EC DELEGATION MET WITH DEPUTY ASSISTANT SECRETARY GLITMAN (STATE) AND DEPUTY ASSISTANT SECRETARY SUCHMAN (TREASURY) ON MAY 12. LENG WAS GIVEN COPIES OF TREASURY

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NOTICES WHICH WILL APPEAR IN FEDERAL REGISTER (TEXTS SENT SEPTTEL) AND WAS ALSO PROVIDED COPY OF FOLLOWING TALKING POINTS USED IN MEETING. BEGIN TEXT:

-- LET ME BEGIN BY STATING HOW PLEASED WE ARE THAT WE WERE ABLE TO AVOID A CONFRONTATION ON THIS MATTER. WE GREATLY APPRECIATE THE COMMISSION'S EFFORTS IN HELPING RESOLVE THIS DIFFICULT PROBLEM.

-- FOLLOWING RECEIPT OF THE DECISION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES ON APRIL 23 TO SUSPEND EXPORT REFUNDS ON EMMENTHALER AND GRUYERE FOR EXPORT TO THE UNITED STATES, THE SECRETARY OF THE TREASURY ANNOUNCED HIS DECISION NOT TO IMPOSE COUNTERVAILING DUTIES ON THOSE CHEESES FROM THE EUROPEAN COMMUNITIES THAT CONTINUE TO RECEIVE RESTITUTION PAYMENTS FOR EXPORT TO THE UNITED STATES.

-- AS WE HAVE PREVIOUSLY EXPLAINED, FORMAL NOTIFICATION OF THE SECRETARY OF THE TREASURY'S DECISION WILL BE BY PUBLICATION OF A NOTICE IN THE FEDERAL REGISTER.

-- WE HAVE NOW PREPARED THAT NOTICE AND I WOULD LIKE TO PRESENT A COPY TO YOU PRIOR TO ITS PUBLICATION. YOU WILL NOTE THAT IT LISTS, BY COMMUNITY CODE NUMBER, ALL CHEESES STILL RECEIVING RESTITUTION PAYMENTS UPON WHICH COUNTERVAILING DUTIES WILL NOT BE IMPOSED. THIS LISTING WAS PREPARED BY THE UNITED STATES AND VERIFIED BY A REPRESENTATIVE OF THE COMMISSION IN BRUSSELS.

-- I WOULD LIKE TO BRIEFLY RECAP THE SITUATION AS WE NOW SEE IT TO INSURE THAT NO MISUNDERSTANDINGS ARISE BETWEEN US IN THE FUTURE.

-- THE COMMISSION NO LONGER PROVIDES RESTITUTION PAYMENTS FOR CHEDDAR (CODE 4850-00), COLBY AND MONTEREY (CODE 5120-83), INDUSTRIAL CHEESE FOR PROCESSING (CODE 5120-11, 5120-15, 5120-21) AND EMMENTHALER AND GRUYERE (CODE 3800-00). WE UNDERSTAND THAT PRIOR DISCUSSIONS WILL BE HELD IF THERE IS ANY CHANGE IN THAT SITUATION.

-- THE RESTITUTIONS REINSTATED ON FEBRUARY 6 REMAIN LIMITED OFFICIAL USE
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IN EFFECT FOR ALL OTHER CHEESES BEING EXPORTED TO THE UNITED STATES AND CONTAIN NO RESTITUTIONS FOR OTHER DAIRY PRODUCTS. WHEN RESTITUTIONS WERE REINSTATED ON FEBRUARY 6 THE COMMISSION INFORMED US THAT IT DID NOT BELIEVE THAT, GIVEN THE RESTITUTION LEVELS ESTABLISHED, COMMUNITY CHEESE WOULD UNDERCUT THE COMPARABLE U.S. PRODUCT. WE, FOR OUR PART, ARE NOT RAISING ANY OBJECTION TO THESE REMAINING RESTITUTIONS. WE RECOGNIZE NEED FOR TECHNICAL ADJUSTMENT CAUSED BY FLUCTUATIONS IN MARKET OR ON CURRENCY EXCHANGES.

-- WE BELIEVE THAT ANY PROBLEMS WHICH ARISE IN THE FUTURE, EITHER FOR THE COMMUNITY OR FOR THE UNITED STATES, CAN BE SOLVED THROUGH CONSULTATIONS AND ARE PRE-

PARED TO CONSULT WITH A VIEW TO APPROPRIATE ACTION. WE TRUST THE COMMUNITY SHARES THIS VIEW.

-- I WOULD ALSO LIKE TO POINT OUT THAT THE UNITED STATES PLANS TO INSTITUTE A MONITORING SYSTEM FOR CHEESE IMPORTS FROM THE COMMUNITY. IN ORDER TO DO THIS EFFECTIVELY WE WILL REQUIRE THAT CUSTOMS DOCUMENTATION FOR SUCH IMPORTS CARRY IDENTIFICATION OF CHEESE BY COMMUNITY CODE NUMBER. ESTABLISHMENT OF THIS SYSTEM WILL REQUIRE A MODIFICATION OF OUR CUSTOMS REGULATIONS AND A 30-DAY PERIOD FOR COMMENT WILL BE PROVIDED BEFORE THE CHANGES BECOME EFFECTIVE.

-- LET ME AGAIN STATE MY GOVERNMENT'S APPRECIATION FOR YOUR EFFORTS AND OUR INTENTION TO CONTINUE WORKING CLOSELY WITH THE COMMISSION TO STRENGTHEN OUR RELATIONSHIP, WHICH IS IN BOTH OF OUR INTERESTS. WITH THE CHEESE ISSUE NOW BEHIND US WE CAN MOVE FORWARD IN THAT DIRECTION.

2. LENG RAISED NO OBJECTIONS TO U.S. PRESENTATION, BUT STATED HE WAS NOT INSTRUCTED. HE EXPRESSED VIEW THAT, WITH REGARD FINAL POINT, EC ALSO HOPES WE CAN MOVE AHEAD IN POSITIVE MANNER AND THAT OTHER COUNTERVAILING DUTY INVESTIGATIONS NOW UNDERWAY CAN BE RESOLVED IN SPIRIT OF MUTUAL COOPERATION. INGERSOLL

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Concepts: DAIRY PRODUCTS, CHEESE, COUNTERVAILING DUTIES
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Copy: SINGLE
Draft Date: 13 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Margaret P. Grafeld
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05 JUL 2006

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PARIS
BONN
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BRUSSELS
THE HAGUE

DUBLIN
LUXEMBOURG
COPENHAGEN

Type: TE

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